

Message Text

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21

ACTION AF-06

INFO OCT-01 EUR-12 ISO-00 SP-02 AID-05 EB-07 NSC-05 RSC-01

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 COME-00

XMB-02 FRB-01 CIAE-00 DODE-00 PM-03 H-01 INR-07 L-02

NSAE-00 PA-01 PRS-01 NSCE-00 SSO-00 USIE-00 INRE-00

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FM AMEMBASSY NOUAKCHOTT

TO SECSTATE WASHDC IMMEDIATE 3255

AMEMBASSY PARIS IMMEDIATE

LIMITED OFFICIAL USE NOUAKCHOTT 0093

PARIS PASS RFC

E.O. 11652: N/A

TAGS: EFIN EINV MR

SUBJECT: MAURITANIAN CENTRAL BANK RESTRICTS BIMA

SUMMARY: MAURITANIAN CENTRAL BANK DECREED JANUARY 15 THREE MONTH
SUSPENSION OF ALL INTERNATIONAL BANKING ACTIVITIES OF BANQUE
INTERNATIONALE POUR LA MAURITANIA (BIMA), WHICH SERVES AS LOCAL
BRANCH FOR BANQUE INTERNATIONALE POUR L'AFRIQUE OCCIDENTALE (BIAO).
BIMA DIRECTOR BELIEVES BANK WILL PROBABLY DISSOLVE AS RESULT
THIS ACTION. FIRST NATIONAL CITY BANK OWNS 49 PERCENT OF BIMA
AND EMBASSY/AID HAVE THEIR ACCOUNTS AT BANK. END SUMMARY

1. MAURITANIAN CENTRAL BANK DECREE ISSUED JANUARY 15 CITES SEVERAL
PREVIOUS LAWS AND CONCLUDES WITH FOLLOWING OPERATIVE ARTICLES
(TRANSLATION FROM FRENCH BY EMBASSY):

QUOTE ARTICLE 1: BIMA IS PORHIBITED FROM PERFORMING FOREIGN BANKING
OPERATIONS OF ANY NATURE EITHER ON ITS OWN ACCOUNT, ON BEHALF OF ITS
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CUSTOMERS, OR FOR ITS CORRESPONDENTS EXCEPT AS PROVIDED BY

ARTICLE 3 BELOW.

ARTICLE 2: THIS PROHIBITION TAKES EFFECT ON JANUARY 15, 1975, AT 1200 AND WILL TERMINATE ON APRIL 15, 1975, AT 1200.

ARTICLE 3: BIMA WILL CONTINUE TO PERFORM, ACCORDING TO REGULATIONS IN FORCE, OUTSTANDING FOREIGN BANKING OPERATIONS WHICH MIGHT NOT BE COMPLETED AT TIME OF ENTRY INTO FORCE OF THIS DECISION. BIMA MUST SEND TO CENTRAL BANK COMPLETE ACCOUNT OF ITS OPERATIONS NOT LATER THAN MONDAY, JANUARY 20, 1975, AT 0800.

ARTICLE 4: ANY INFRACTION OF THIS DECREE WILL BE PUNISHED ACCORDING TO EXISTING LAW. UNQUOTE.

2. BIMA DIRECTOR DURAND CALLED AT EMBASSY JANUARY 16 AND MADE FOLLOWING KEY POINTS: (A) DECREE IS SUFFICIENTLY AMBIGUOUS THAT BIMA IS REQUESTING CLARIFICATION OF SITUATION AND PERMISSION TO CONTINUE MOST NORMAL BANKING OPERATIONS; (B) THRUST OF DECREE WILL REDUCE BIMA TO DOMESTIC BANK DEALING ONLY IN LOCAL NON-CONVERTIBLE CURRENCY, I.E. MAURITANIAN OUGUIYA; (C) BIMA WILL NOT BE ABLE TO OPERATE PROFITABLY UNDER THESE RESTRICTIONS; (D) LOCAL BIMA OFFICIALS DO NOT HAVE AUTHORITY TO CLOSE BANK. (E) BY VISITING BOTH FRENCH AND AMERICAN EMBASSIES, DURAND HOPED TO EMPHSIZE VIEW THAT REPRESENTATIVES OF SHAREHOLDERS MUST ASSESS SITUATION ON THE GROUND AND MAKE NECESSARY DECISIONS. (F) BIMA ACCOUNT HOLDERS ARE LIKELY TO WITHDRAW THEIR FUNDS DUE TO THESE CRIPPLING RESTRICTIONS AND CENTRAL BANK DISPLEASURE WITH BIMA; (G) IT WOULD TAKE ABOUT 4 MONTHS TO LIQUIDATE BANK.

3. BIMA IS BANK FOR BOTH EMBASSY AND USAID ACCOUNTS. SEPTTEL WILL FOLLOW OUTLINING DIFFICULTIES FOR USG OPERATIONS OVER SHORT TERM AND OUR RECOMMENDATIONS.

4. ACTION REQUESTED: REQUEST PARAGRAPH (1) AND SUBSTANCE REMAINDER THIS CABLE BE PASSED TO TIMOTHY WOOD, VICE PRESIDENT, FIRST NATIONAL CITY BANK, PARIS. IF WOOD INTENDS VISIT NOUAKCHOTT, WOULD APPRECIATE ETA. DEPARTMENT MAY WISH TO ALERT CITY BANK HEADQUARTERS OF THIS DEVELOPMENT.
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Message Attributes

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Draft Date: 16 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Executive Order: N/A
Errors: N/A
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Margaret P. Grafeld
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TAGS: EFIN, EINV, MR, MAURITANIAN CENTRAL BANK
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